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**littlehammer's**  
**Weekly Tax Exempt Newsletter**  
**with**  
**Questions and Answers**  
**and**  
**Conference Call Reminder**

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Tuesday, June 25, 2002

- [1] Welcome & Editorial: Short
- [2] Questions and Answers: Tips on Color
- [3] News Briefs & Comments: Taxable Income & Home Depot
- [4] Conference Call Reminders: **“Question & Answer “ Call - for New Folks**  
**Wednesday NIGHTS - 9 pm EASTERN**  
**1-620-584-8202, Pin 2974#**  
**“\*6” (Star 6) MUTES and UN-MUTES your line**  
**ALSO**  
**Corporation Sole (specific) Conference Call**  
**Friday MORNINGS - 10:00 AM EASTERN**  
**Same Number and Pin as Above**  
**PLUS**  
**A CLIENT’S ONLY CALL**  
**Call Your Representative for Number and Time**
- [5] Contact Information, Legal Notice & Notice of Copyright explanation.

In this section (below), I explain why I use the bracketed phrases [THE COMPANY] and [THE FOUNDER] to refer to the founder and his company, who achieve the 100% effective results of having the IRS change their internal records to reflect the fact that each client is exempt from income taxes on any income, regardless of amount or source, unless the source of the income is the federal government itself or a trade or business under the sovereign jurisdiction of the government. [THE COMPANY] accomplishes this fully (and only) in accord with the Internal Revenue Code, and thus, none of their clients ever experience adverse IRS confrontation or court proceedings.

-----**NOTICE**-----

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[1] Welcome & Editorial
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Dear Friends,

This will be a really short newsletter this week. Monday is the day I reserve for writing and compiling the newsletter, and I had some personal business I had to attend to over the week end and into Monday. However, I'll come up with a little something (or two).

I appreciate the folks who responded to my question last week about the blue verses red ink for quoted material and for distinction in dialogue between what I write and what someone writes who is asking questions or making comments. I'll include several of those replies in the next section.

In the news and comments section, I'll give some of the latest words from Larken Rose. In fact, as you'll see in the next section, one of the folks who commented on the question of color asked that I keep abreast of what Larken Rose is doing.

I'll be back next week.

Your friend,

Paul Leinthall
661-822-7889, 9am-5pm, Mon-Fri., PACIFIC time
email: littlehammer@primemail.com

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[2] Questions and Answers
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Hi Paul,

I dislike the red text intensely, finding it much harder to read than blue.

Two suggestions:

- 1. Use italics instead.
2. For those who don't want to expend colored ink, simply highlight the whole document and change the font color to black. Takes 5 seconds on Word.

Really enjoy your newsletters. Very informative and clearly written.
Best, XXXX XXXXXXXX



Paul,

color is an interesting topic. I'll try to be brief. (We studied this stuff in chemistry class in college; had an alum, then working for Kodak, come for a lecture.)

Basically, there are additive colors and subtractive colors. Additive colors add toward white ... i.e. as in colors of light. Subtractive colors add toward black ... as in inks.

"Primary" colors for additive colors are usually listed as red, green, blue. (Yellow is red + green. I know this "feels" wrong, but this is because most people are used to subtractive.) However, there is no reason why it must be RGB. It could be yellow, purple, and something else, etc. So long as all combinations of color are available from those 3. I.e., though RGB are usually listed as the primary additive colors, there are in reality an infinite number of possible combinations of 3 primary colors. In each case, the primary colors are 120 degrees apart on the color wheel.

Primary colors for subtractive colors (for printing inks) are usually given as cyan, magenta, and yellow, though again here these are only traditional, and they could be any 3 that are 120 degrees apart. Black is usually added separately. Thus, CMYK - with "k" representing black.

Color computer printers vary in what they have. Most are kind in giving you a separate cartridge for black, so that you spend less money. Some give you 4 cartridges for 3 colors plus black. Some give you 1 cartridge for all 4 colors.

So, to provide a solution ... I would see if you can use a darker blue, light enough to still stand out on the screen, but dark enough that much less blue ink is used. This may satisfy him. Or perhaps he could look in Acrobat at Edit/Preferences/Accessibility and change his color scheme. Acrobat's help provides instructions. It does not specify how to change the output color once you hit "print".

XXX XXXX



In the newsletter you asked for comments about the red and blue ink. I prefer the blue ink. It's much easier to read, on the screen and on paper.

You also included Larkin Rose's email mentioning something about July 4. Will you keep us informed of what this might be.

Thank you soooo much for your diligence in keeping us informed and teaching us.

XXXXX

Personally, I think the easiest for everyone, would be the suggestion to simply select all the text and turn it to black (or whatever color pleases one most). In the meanwhile, I'll continue as I have. Again, thank your for your feedback.

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[3] News Briefs & Comments  
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I've quoted Larken Rose in previous newsletters. Please understand, however, that my quoting him does not mean that [THE COMPANY] agrees with him on every facet of HIS belief. [THE COMPANY] does agree, however, with his understanding and exposition pertaining to the "Section 861 argument" - which section (861, with it's corresponding regulations) specifies exactly WHAT the revenue taxable sources (activities) are, the engaging in which activities will most likely incur an income tax liability. A clear reading of the IR Code and its applicable regulations, in this regard, reveals these "sources" to be primarily "federal sources". Only with income from those specific sources might a person find himself to be liable for a so-called "income tax". This applies to BOTH federal and State income tax laws (although some States would like you to believe differently, as if their particular State laws were exempt from having to be in harmony with the United States Constitution).

While I applaud Mr. Rose (and others) each for their particular stand and position, I'm still happy that, with the services provided by [THE COMPANY] for each of their clients, we don't have to spend a lot of time having to "fight the system," as some of these folks seem want to do; instead, as clients utilizing [THE COMPANY's] services, we can presently enjoy FREEDOM from State and federal income taxes, while continuing to be in harmony with the Law, and without having to engage in the heat of any conflict ourselves, since [THE COMPANY] does all that for us.

With that in mind, here's more from Larken Rose:

Date: Mon, 17 Jun 2002 22:45:02 -0400  
From: Larken Rose <GrandDelusion@erols.com>  
Subject: Bullets and Blanks  
To: littlehammer@primemail.com

I cringe when I feel the need to write the following type of message, but with what's at stake, I feel obliged to tell people when they are going into battle with blanks instead of bullets.

Over and over again I hear people suggesting that everyone in the "movement" should work together against our common enemy, the IRS. The problem is that most of the movement hasn't the foggiest idea what the law says, and as such, they are shooting blanks. Sorry to be so blunt, and the reason I hate to say that is that a whole lot of people with the best of intentions are among those shooting blanks.

We have a common enemy. Trouble is, we don't have a common weapon. We are trying to fight off a giant with guns, Q-Tips, fleece balls, and dead fish. Every time I see someone bravely wielding a Q-Tip, thumbing his nose at the federal leviathan, I cringe. In many ways these people are my allies in their ultimate goals, but their approach is not doing them, me, or anyone else any good. (In fact, they are setting themselves up to help the OTHER side's propaganda techniques, by making "an example" out of the Q-Tip wielders.)

I'm sure I'll offend and anger lots of people with this message, so I might as well jump right in. If, as one example, you insist on arguing with the feds about whether the 16th Amendment was properly ratified:

- 1) you are arguing about an issue that the Supreme Court and the Secretary of the Treasury say is IRRELEVANT to Congress' taxing power (see *Stanton v. Baltic Mining* and TD 2303);
- 2) you are arguing AGAINST a law that most likely doesn't even apply to your income;
- 3) you are DISTRACTING those inside and outside of the system from the actual fraud perpetrated via the misrepresentation of the actual scope of the tax;
- 4) you are arguing an issue that will turn off most members of the public, as they will see you as someone who just wants an excuse to not pay your "fair share." (More on that last point below.)

Instead of insulting each subdivision of the "movement" one by one, just fill in your favorite "patriot" theory du jour into this sentence: "If you are arguing [pick an issue], you are arguing something that is incorrect, irrelevant, and COUNTER-PRODUCTIVE to the goal of getting the PUBLIC to resist the IRS." This isn't always true with every issue, but is true a whole lot of the time. I've almost given up on trying to educate "patriots," because they seem just as irrationally attached to whatever theory they heard from some guru last week as the status quo "experts" are attached to their own misreading of the law.

(There, anyone not offended yet?)

"Oh yeah, and I suppose that doesn't apply to your theory?"

As a matter of fact, it doesn't, because it is neither "mine," nor is it a "theory." It's what the law SAYS, and has said since before almost everyone reading this was born. I didn't discover it, nor do I care who gets credit for it. I investigated all the OTHER theories and arguments before I ever heard of Section 861.

Many people, including myself, have tried to explain the errors in the countless "untax guru" theories that have come down the pike (and then crashed into brick walls). I'm open to someone doing that to "my theory." Ask your favorite "guru" this:

"Do you use 26 USC § 861(b) and the related regulations beginning at 26 CFR § 1.861-8 to determine an individual's taxable domestic income?"

Notice how it's not about theory, or a Constitutional complaint; it's about SPECIFIC CITATIONS OF LAW. Here are a few citations showing that the answer to the above question should be a resound "YES": 26 CFR §§ 1.861-1(a), 1.861-1(b), 1.862-1(b), 1.861-8(a), 1.863-1(c), Treasury Decision 6258. Now ask your favorite "guru" to show you some citation of law that supports an answer of "no." Don't hold your breath.

Do the same thing for the question of whether those sections show the domestic income of the average American to be taxable. Look at the more than 80 years of statutory and regulatory history of the sections, and then tell me with a straight face that they say our income is taxable. (And before any eager, uninformed "guru" wants to point to 861(a)(3) and do a victory dance, watch Step Six of the "Theft By Deception" video, and then crawl into a corner in shame at having fallen hook, line and sinker for the government's intentional cover-up on that point.)

"Why does it matter whose issue is right, if the goal is the same?"

Because a propaganda war (which is what this is) cannot be won with blanks.

With most theories and arguments of the "tax resistance movement" (or whatever you want to call it), the issue looks to the PUBLIC like a group of malcontents who don't want to pay their "fair share." The reaction is often "Hey, I pay my taxes, and you should pay yours." The average American doesn't know much about the Constitution, or care about it, or understand what "direct" and "indirect" taxes are. He knows the IRS takes a chunk of his money, he doesn't like it much, but he thinks it's the law, and it's the way things are. And the approach of most "patriots" doesn't change his thinking one bit.

The main reason I'm a broken record on the 861 "issue" (I still don't understand why what the LAW SAYS is just another "issue" to be lumped in with the theories about how the law means something OTHER than what it says)... sorry, I digress. The reason this ONE ISSUE is the one and only thing I harp on is not only because it's actually based on the law, but because it has the potential to WAKE THE SLEEPING GIANT, to fire up the American people into DOING something.

Why? Because I'm not just telling people that the tax is unconstitutional, nasty, communistic, economically stupid, or otherwise poop. I'm showing them that THEY WERE INTENTIONALLY DEFRAUDED. When that point sinks in (usually after they go through the process of distinguishing the issue from whatever "tax protestor" stuff was currently clogging up that space in their consciousness), they want to DO something about it. While a whole lot don't immediately dare to stop filing and paying, when they grasp the truth they are not willing to "let it slide."

The only problem, of course, with "stopping filing" is that a person is thereby doing something analogous to having voluntarily elected to join the military (another area where there is no law REQUIRING one so to do), and then, upon signing the CONTRACT, finding himself in boot camp and not liking his experience, decides he will simply leave. The only problem is, he gets pursued and arrested for going A.W.O.L (Absent With Out Leave).

You can't sign a contract and get out of that contract without taking responsibility for having voluntarily elected to join it in the first place, and then getting out of the jurisdiction of the contract in ways which are harmonious with the terms and conditions of the contract itself. And it with the revocation of that contract, on the behalf of each client, that [THE COMPANY] is so successful.

Whether it's the 5th Amendment, the 16th Amendment, citizenship, jurisdiction, constitutionality, direct/indirect, complaints about due process (which are perfectly valid), or even the demands that the IRS show us what makes us liable, to the PUBLIC that looks like people whining about a tax they don't like. When they see that the law ITSELF does not tax THEIR income, and they see that there was a concerted effort to HIDE that fact from them, their attitude changes dramatically.

And, by becoming a client of [THE COMPANY], they have the MEANS to enjoy the freedom from having their income taxed by either the IRS or any State taxing agency; they're not just left holding a good argument (or even a good law), with no ability to have it reap for them the freedom they so desire.

I've been overjoyed with the reactions I've had from non-"patriot" folks to the "Theft By Deception" video. No offense to the "pro-freedom" types (which includes me), but there aren't enough of us to matter much without the help of the masses. And you CANNOT rile up the masses with "this law sucks," no matter how you say it. They already know it does, but they think that's life. They see no chance of changing it, and no point in trying.

But when people see that the problem is not the law, but is that the government lawyers BLATANTLY AND INTENTIONALLY LIED to the public about which income is actually taxable, a whole lot of people--"respectable," educated, professional, successful people who don't fit the "patriot" stereotype--get downright PISSED OFF. And that is what we need, if the federal extortion racket is to be defeated. We can get it, but we CANNOT get it by doing the same things the "movement" has been doing since before I was born.

If some of you insist on arguing that we're all "nonresident aliens"...

Here's one of the areas where [THE COMPANY] differs with Mr. Rose on what the law defines. HOWEVER - we DO agree with him on the matter of the fact that arguing about a concept that most folks do not understand is really not the point, since MOST people (including attorneys and judges) BELIEVE the term "nonresident alien" applies ONLY to a person from some country other than the united States of America. We know that the Internal Revenue Code makes pretty clear distinctions in this regard,

AND that, legally speaking, the term "nonresident alien" ALSO applies to ANYONE who is not residing in/on any federal district or territory or reservation and who is foreign (alien) to federal jurisdiction - which, strictly speaking, applies to ANY American Citizen residing and working within any of the 50 States and who does not have "federally connected" income. But it's an argument that has probably never been argued adequately (or successfully) in court; so, even though it's a valid argument, [THE COMPANY] really doesn't use it. With the Section 861 argument being so effective, we don't have to spend time on fruitless arguments.

...or that the "United States" really means a small village in southern Uganda, or that we're still under the rule of England, fine. Believe what you want. But know this: the people DON'T CARE about those arguments. They don't have an impact, they don't get attention, and they get very few converts.

"Amen" to that!

What HAS gotten the attention and support of CPA's, lawyers, doctors, teachers, businessmen, and every other profession you can think of, is what the LAW ITSELF says about whose income is taxable, and the evidence showing the efforts to DECEIVE THE PUBLIC about what the law says.

And another loud "Amen".

I can't count how many people have told me "I've looked at a bunch of patriot stuff, but yours is the first that really paints a complete picture that makes sense." Guess what... it's NOT because I'm a super-duper writer, or because I'm a better salesman, or because I'm some brilliant guru. It's because, with the assistance of others and lots of luck, I ended up pointed in the direction of THE TRUTH. It isn't "my" truth, and I didn't discover it first. It is what the LAW says; it is the HEART AND SOUL of why the "income tax" is a fraud; and it is THE ONE AND ONLY ISSUE that can and will wake the American public up, and make them tear down the illegal federal extortion racket.

Put that "argument" together with a company who does all the work for every client, of letting the IRS and State taxing agencies KNOW that the client is relying on the LAW itself to be sufficient, and you can begin to see we've got a real winner in the services [THE COMPANY] performs for every client.

Don't expect Q-Tips to knock out a giant. Learn the truth. Tell the truth.

I think that was the longest rant I've ever sent to this list, and I probably just offended most of the people on the list. Tough. I'm not in this to be popular. I'm in this to stop my friends and neighbors from being defrauded. I see one road to that goal, and lots of people wandering down dead ends. Before you charge down a road, check the map and see if it's the right one. Good intentions and determination won't get you there. Being on the right road will. 'Nuff said. (Actually, probably too much said. Oh well.)

Larken Rose  
larken@taxableincome.net  
www.Theft-By-Deception.com

While this next insert has nothing DIRECTLY to do with taxes, it certainly reveals that Americans in OTHER areas are getting tired of certain forms of government intrusion.

### **More on That Home Depot Decision**

A few readers wrote back in response to the blurb we published about Home Depot refusing to do business with the federal government. Some thought it was a bad business decision and actually criticized the home improvement chain for locking Uncle Sam out. But, as Paul Harvey would say, here's the rest of the story.

It's not that Home Depot doesn't want the business; they do. But, according to the Associated Press, what they DON'T want is the "byzantine array of rules and paperwork covering federal contractors" which comes with doing business with the feds. Ah-hah. That's a horse of a different color. And who can blame them?

The company informed store managers of the policy not to do biz with Uncle Sam, telling them that "no purchases would be allowed 'that would cause the company to be covered by or responsible in any way for compliance with' three federal laws or executive orders, which deal with equal employment, affirmative action and discrimination."

Home Depot notes that dealing with the government means "a mountain of expensive paperwork and legal fees." It's not that the company doesn't want to sell to the government, it's just that they don't want to incur the record-keeping and compliance nightmares that come with it.

Bravo to Home Depot! Finally, a company with the stones to tell Congress and the feds to shove their unconstitutional rules and unfunded mandates where the sun don't shine. Why, I think I suddenly have an urge to go buy a new garden hose or something.

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[4] Call Reminder  
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The **TAX EXEMPT Conference Call**, for “new” folks, takes place **EVERY Wednesday NIGHT at 9 PM EASTERN** time. The number is: **620-584-8202, pin 2974#**.

The **CORPORATION SOLE (specific) Conference Call**, is on **Friday MORNINGS**, at **10 AM EASTERN** time. The number is the same as above

Also, there is a **CLIENT’S ONLY Conference Call** available (obviously) for Clients Only. If you’re already a client, and you would like to be on that call, **CALL YOUR REPRESENTATIVE for the phone number and time, ]**

I want to mention something to new readers and to folks who have never been on the [THE COMPANY] Conference Calls. The calls are NOT what you may be expecting from a typical “conference call” these days. A lot of people are used to big sales-hype conference calls, with a lot of “Rah-Rah-Rah”. The conference calls are NOT “sales” calls. No one is trying to get you to enroll in something, or asking or suggesting that you try to get your friends to enroll. These are ALL TEACHING calls. They consist almost entirely of questions and answers, after a brief introduction. They’re a great place to hear other folks ask all sorts of questions and get any questions of your own answered, and they provide you the opportunity to get a pretty well-rounded understanding of what this is all about in 60 to 90 minutes. I think you’ll find they’re one of the best \$3 to \$5 values you can find today. (The telephone long distance charges for most people).

Pressing “\*6” (Star 6) on your phone will mute your end of the line, so everyone can hear better; then, when you want to ask a question, you can press “\*6” again to go off mute. If you’re having a hard time hearing, with various noises in the background from other folk’s lines, such as: conversations, kids-playing, dishes clanging, and phones & faxes ringing, then be assured, everyone else can hear the ambient sounds from your environment. It simply makes it much more difficult to hear whoever is speaking at the moment. Thanks for your consideration in this regard.

May I suggest, if possible, that when you call, you use a regular “connected-to-the-wall telephone”, rather than a cellular phone (particularly when driving), or even a cordless phone. Also, please, not a speaker phone, either, unless it has a “mute” button, because speaker phones amplify the ambient sounds in your environment. And PARTICULARLY NOT an Internet phone, a true “killer” of conference call Quality.

If you like what you hear on the call, and you want to talk further to someone (including the call presenter) or ask more “personal” questions, remember how you heard about the call. No contact numbers are given out on the call, not because anyone is trying to hide anything, but because various representatives of [THE COMPANY] bring folks to the call. The call itself is not a “sales” forum and doesn’t get involved in the sales “hierarchy”.

See you on the call. Tell your friends about it, too.

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[5] Contact Information

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**Paul Leinthall**

**Phone: 661-822-7889, Mon. - Fri. 9 AM to 5, PM (Pacific)**

**Email: [littlehammer@primemail.com](mailto:littlehammer@primemail.com)**

You may notice that I refer to [THE COMPANY] or to the founder of the company [THE FOUNDER] in various places throughout the Newsletter. I choose those expressions, instead of providing the actual names of the company or it's founder, for a couple of reasons...reasons which you'll also find reflected in my explanation of the copyright notice (below). I want to insulate [THE COMPANY] and [THE FOUNDER] from undue and unwarranted attention (especially negative attention or reaction), whether from a casual reader or from any taxing agency or authority, their attorneys, or representatives. Therefore, it is my desire that the reader be absolutely clear who is responsible for what appears in this newsletter. This newsletter is NOT sponsored directly by [THE COMPANY] or [THE FOUNDER], and while I believe I am being representative of [THE COMPANY's] and [THE FOUNDER's] philosophy, goals, ideals and the truth in law and in fact on which [THE COMPANY] stands to perform its valuable service for its clients (of which I am one), and while I may quote [THE FOUNDER], or someone else, I always seek to maintain each person's privacy, unless their words are already in the public (published) domain; thus I will take the heat for any negative attention, response or reaction.

Also, this allows anyone, including other representatives of [THE COMPANY], who find this information valuable, and who want to share it with others, to substitute their name and contact information for mine, and not have to worry about potential clients of the company going over their heads and bypassing them. Since [THE COMPANY] sponsored conference call follows this same philosophy of client protection for their representatives, the information in this newsletter can, then, be more widely disseminated for the value and education of others.

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